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**PATENT APPLICATION**

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Date: February 28, 2007

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

GROUP ART UNIT: 3628

EXAMINER: FRANTZY POINVIL

In re application of: Edward G. )  
McLaughlin and Flint A Lane )  
Application No: 09/277,189 )  
Filed: March 26, 1999 )  
Attorney Docket No.: 7196-RCE )  
)

For: SYSTEM AND METHOD FOR  
MANAGING MAIL/BILLS  
THROUGH A CENTRAL  
LOCATION

Commissioner for Patents  
MAIL STOP APPEAL BRIEF-PATENTS  
P.O. Box 1450  
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February 28, 2007

REPLY BRIEF

Sir:

Appellants, in response to the Examiner's Answer mailed December 28, 2006, and pursuant to 37 C.F.R. § 41.41, hereby file this Reply Brief as part of the appeal on the above-referenced patent application.

### **Reply to the Examiner -- Introduction**

While most (over seven pages) of the Examiner's Answer is a word-for-word repetition of the October 20, 2005, Office Action, the Examiner has added some new arguments which were not focused upon in the October 20, 2005, Office Action. These arguments can be divided up into four sections: 1. arguments regarding what is fairly taught by the Kolling et al. reference and mischaracterizations of the Kolling et al. reference in the Examiner's Answer; 2. arguments regarding what is fairly taught by the Krouse et al. reference and mischaracterizations of the Krouse et al. reference in the Examiner's Answer; 3. brief arguments regarding the stated justifications for combining the references in the rejection; and 4. very brief comments regarding the Examiner's inappropriate use of official notice. These arguments will be addressed in the order mentioned above.

### **Observations and Arguments**

**I. Mischaracterization of the Kolling et al. Reference.** The Kolling et al. reference succinctly states on the front page in the Abstract that it is "[a]n electronic statement presentment (ESP) system [that] **replaces the preparation and mailing of paper statements and invoices** from a biller with electronic delivery." Emphasis added. The entire purpose of the Kolling et al. reference is to completely eliminate paper -- and it does do by using only statement data 206 received from a biller invoicing system 204

in electronic form, and by electronically delivering electronic statements 224. This is simple, unequivocal, and straightforward.

In the Examiner's Answer on pages 10-11, it is stated that "The process or functions of receiving, identifying and scanning a paper bill into an electronic form is not **explicitly** stated by Kolling et al." Emphasis added. This implies that somehow the Kolling et al. reference infers scanning a paper bill into electronic form, which is quite simply not the case -- the Kolling et al. reference stands for the proposition of only using electronic billing data, and in doing so completely eliminating paper bills. The Examiner's Answer on page 11 goes on to assert that "[t]he Examiner had indicated that if a service provider is unable to submit their customers' billing information in an electronic form to the central location for subsequent presentment to their customers, the service provider would have then transmitted these billing information or bills in the form of 'paper bill' via mail or fax." This is a gross misstatement that has no basis whatsoever in fact. The Kolling et al. reference makes the conscious choice to totally eliminate dealing with paper bills under any circumstance; to pretend that it does not is intellectually dishonest.

Continuing on page 11, the Examiner continues to mischaracterize the Kolling et al. reference in stating "[t]he central location of Kolling is not limited to accepting bills only in electronic forms." This is utterly untrue (of course, no reference to such a statement in the Kolling et al. reference is, or indeed can be, provided), and flies in the

face of the clear language of the Kolling et al. reference. The Examiner attempts to rationalize this falsehood by stating on page 11 that "if a type of service providers (sic) is unable to transmit a customer's bill in electronic form to the central location, **it would not have been practical or financially sound for the central location to miss the opportunity to perform business transactions** with this type of service providers. Thus, the central location **would have made it possible to accept paper bills and reformat them in electronic forms.**" This should be recognized for what it is -- an undisguised attempt to turn a donkey into a racehorse by asserting that its owner would recognize that a racehorse would be a better business proposition than a donkey. This is hindsight at its worst, attempting to change the unequivocal function of the Kolling et al. reference into something that it is not. The Kolling et al. inventors quite simply did not want a system that would use paper bills in any way, shape, or form. They make that fact quite clear, and the Examiner's crude attempts to say that everything that would be "practical or financially sound" should be read into the Kolling et al. reference even though it is quite clear that it does not exist within the pages of the Kolling et al. reference must be rejected.

The statement that one of ordinary skill would turn to another reference to provide a feature that the Kolling et al. reference specifically excludes is thus exposed for what it is -- an attempt to find a teaching of Appellants' invention in a reference which quite

explicitly excludes its operation by virtue of the fact that it is specifically required by the claims of Appellants' patent application. The Board should reject this faulty logic.

**II. Mischaracterization of the Krouse et al. Reference.** The Examiner would have this Board ignore the function and operation of the Krouse et al. reference to scan a bill physically brought by a customer into a walk-in bill payment business and extract sufficient information from the paper bill (the account number and the bill amount) to allow the customer to pay the bill at the walk-in bill payment location. The Examiner asserts on page 10 that the Krouse et al. reference teaches that the Krouse et al. reference "has been applied to denote [that] teachings of scanning a paper document or bill were old. . . " and on page 11 that the Krouse et al. reference teaches the "functions of formatting a paper bill into an electronic form." This is absolutely incorrect and is a gross distortion of the teachings of the Krouse et al. reference.

Rather, the Krouse et al. reference teaches scanning a bill using a walk-in bill payment system terminal; if the walk-in bill payment system has been set up to work with a bill from that particular biller (if the bill is recognized as a bill from a biller which is included the walk-in bill payment system's database), the customer is presented with a screen displaying the amount of the bill and the consumer is asked how the consumer proposes to make payment. Apparently, the Examiner has failed to distinguish that the Krouse et al. reference teaches two completely separate systems, only one of which is pertinent to either the present invention or to the Examiner's purpose in citing the Krouse

et al. reference. The first system, which is taught in Figs. 1-6 and the portion of the specification found in column 5, line 58 to column 12, line 19, uses a scanner to extract data from a check written by an individual to pay for products or services bought at a point of sale of the products or services. This system is thus completely irrelevant to both the present invention and to the reason that the Examiner has cited the Krouse et al. reference.

The other system, which is taught in Figs. 7-11 and the portion of the specification found in column 12, line 20 to column 19, line 8, uses a scanner to extract data from a bill brought into the location of the system by a customer who desires to pay the bill. This system scans the bill, and, after processing the image data, attempts to determine which of a predetermined format bill the scanned bill is (which of the payees that the system services has generated the bill). The system attempt to generate only the bill amount and the customer number from the scanned bill (see column 12, lines 37-52), and is thus by definition incapable of generating information sufficient to generate an electronic bill as erroneously asserted by the Examiner. thus, when the Examiner states in the Examiner's Answer at page 11 that:

"Krouse et al teach a customer presents a paper bill to a point of sales so as to pay a current balance which is due. The paper bill is scanned and an electronic image of the paper bill is obtained for a permanent record. See column 4, lines 1-12, column 5, line 58 to column 6, line 14 of Krouse et al."

It is apparent that the Examiner is referring to the first embodiment of the Krouse et al. reference, which does not teach scanning bills, but rather scanning checks written in payment at a point of sale. This cited portion of the Krouse et al. reference is thus utterly unrelated to Applicants' invention, and quite simply does not teach what the Examiner wrongly asserts that it teaches. It has absolutely nothing to do with scanning bills, and is thus completely irrelevant to the present invention.

The Examiner goes on to cite portions of the Krouse et al. specification regarding the second embodiment:

"Krouse et al. also teach eliminating noise or cleaning the scanned image (column 13, lines 35-58); extracting information from the scanned image (column 16, lines 42-58) and generating an electronic image of the scanned document."

The first portion of this assertion is more or less correct, but in asserting that the Krouse et al. reference teaches generation of an electronic image of the scanned document, the Examiner is once again completely incorrect. Rather, the enhanced scanned image is used to: 1. identify whether or not the scanned bill is one of a predetermined format (the bill is from one of the payees that the system services); and 2. to obtain the two pieces of data from the scanned bill, namely the customer number and the amount due (these operations are described in the portion of the specification from column 13, line 58 to column 16, line 59). The balance of the Krouse et al. specification is concerned with generating an ACH/EFT request is generated, and is unrelated to the present invention. Thus, it is apparent that the Examiner's assertion that the Krouse et al. reference generates

an electronic image of the scanned bill is wholly erroneous. This misreading of the Krouse et al. reference is cause for the Board to reject the rejection, since it is clearly not based in fact.

**III. The Examiner's Arguments Regarding Combinations of References.** In the Examiner's Answer, the Examiner asserted that case law including In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and In re Jones, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). It is telling that in both In re Fine and In re Jones, rejections of the claims were reversed for doing exactly what the Examiner has done in the April 22, 2005, Office Action -- using hindsight to combine unrelated references instead of providing a teaching, suggestion, or motivation to combine the references.

The Kolling et al. reference mandates that paper bills are wholly eliminated and not used in any way by the invention described therein. One skilled in the art reading the Kolling et al. reference would accordingly never attempt to use it to process paper bills, with either the Krouse et al. reference or with any other prior art. Contrary to the assertion of the Examiner, one skilled in the art would not have modified the Kolling et al. system to accept paper bills because "it would not have been practical or financially sound for the central location to miss the opportunity to perform business transactions with this type of service providers." Examiner's Answer, page 11. By this argument, it would have been equally valid to modify the Kolling et al. system to perform any function of any financial service system, since to not do so would not have been



financially sound according to the Examiner's logic. The absurdity of this position is readily apparent.

Since the Krouse et al. reference is incapable of displaying an electronic image of a scanned bill, one skilled in the art would not see any advantage in combining a system of determining the account number and the amount due from a paper bill with the Kolling et al. system of electronic presentment. In addition, the Examiner has conveniently chosen to ignore that in the Krouse et al. reference the customer has the paper bill in his or her possession prior to use of the Krouse et al. system, and that it would make no sense for the consumer to bring his or her bill to a walk-in bill payment location and have it scanned to allow him or her to then be provided with an electronically presented version of the same bill. This is, of course, a ludicrous situation to contemplate.

Thus, the rejection is exposed for what it is -- a completely untenable combination that is based entirely upon the use of hindsight on the part of the Examiner, with Appellants' claims being used by the Examiner as a blueprint to go and search for the elements of the claims -- a clearly inappropriate and impermissible use of hindsight knowledge (and also a defective one since the Krouse et al. reference does not teach what the Examiner has asserted that it teaches). Appellants assert that the facts mandate a finding that there is no reason to make the combination asserted by the Examiner, and respectfully solicits the removal of the Section 103(a) rejections of Claims 1-30, and the allowance of these claims.

**IV. The Examiner's Use of Official Notice.** the Examiner asserts on Page 13 of the Examiner's Answer that Appellants "requests that the Examiner provides an affidavit or a reference." This is because the Examiner stated on Page 6 of the October 20, 2005, Office Action: "In so doing, Kolling would have scanned the received paper bills, do further image processing and cleaning the scanned paper bills which would have also been done for indexing and record keeping purposes. . . . These steps are well known in the art of image processing and analysis of scanned financial documents." This assertion is made without any statutory, regulatory, or M.P.E.P. basis whatsoever, which directly contravenes well-established U.S. Patent and Trademark Office procedures. It would be allowable if the Examiner had established an expertise in the field, but he has not done so (or even attempted to do so). Accordingly, Appellants challenged this unsupported (and unsupportable) assertion.

In fact, this is in fact little more than an explicit admission by the Examiner that he was unable to find a reference teaching part of Appellants' claims in the prior art. Instead of allowing the claims as is required by the law, the Examiner instead relied upon an incorrect assertion that is clearly in violation of proper procedure. "It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. ... It is never appropriate to rely solely on 'common knowledge' in the art without evidentiary support in the record, as the

principal evidence upon which a rejection was based. In Re Zurko, 258 F.3d at 1385, 59 USPQ2d at 1697 ('[T]he Board cannot simply reach conclusions based on its own understanding or experience - or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.'). " MPEP Section 2144.03.

### **Conclusions**

Accordingly, Appellants believe that the independent claims of the present application are drafted in a manner which clearly defines them over the prior art. As such, all of the dependant claims are believed to be patentable as well. Appellants believe that the invention as presently claimed is novel and nonobvious over the cited art as well as all other art of which Appellants are presently aware. Appellants accordingly

respectfully request the removal of the rejections of pending Claims 1-30, and the allowance of the present application.

Respectfully submitted:

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